



**OFFICE OF THE GOVERNOR**

PATTY JUDGE  
LT. GOVERNOR

CHESTER J. CULVER  
GOVERNOR

April 14, 2010

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit:

**Senate File 2356**, an Act relating to the health care including lowacare program provisions and the creation of an Iowa insurance information exchange to promote transparency, quality, seamlessness, and informed choices relative to health care coverage.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester Culver".

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





Senate File 2356

AN ACT

RELATING TO THE HEALTH CARE INCLUDING IOWACARE PROGRAM  
PROVISIONS AND THE CREATION OF AN IOWA INSURANCE INFORMATION  
EXCHANGE TO PROMOTE TRANSPARENCY, QUALITY, SEAMLESSNESS, AND  
INFORMED CHOICES RELATIVE TO HEALTH CARE COVERAGE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWACARE PROGRAM AND OTHER HEALTH CARE OPTIONS

Section 1. Section 249J.7, Code 2009, is amended to read as follows:

249J.7 Expansion population provider network.

1. a. Expansion population members shall only be eligible to receive expansion population services through a provider

included in the expansion population provider network. Except as otherwise provided in this chapter, the expansion population provider network shall be limited to a publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand, the university of Iowa hospitals and clinics, ~~and the state hospitals for persons with mental illness designated pursuant to section 226.1 with the exception of the programs at such state hospitals for persons with mental illness that provide substance abuse treatment, serve gero-psychiatric patients, or treat sexually violent predators~~ and a regional provider network utilizing the federally qualified health centers or federally qualified health center look-alikes in the state, to provide primary care to members.

b. (1) The department shall develop a plan to phase-in the regional provider network by determining the most highly underserved areas on a statewide and regional basis, and targeting these areas for prioritization in implementing the regional provider network. In developing the phase-in plan the department shall consult with the medical assistance projections and assessment council created in section 249J.20. Any plan developed shall be approved by the council prior to implementation. The phase-in of the regional provider network shall be implemented in a manner that ensures that program expenditures do not exceed budget neutrality limits and funded program capacity, and that ensures compliance with the eligibility maintenance of effort requirements of the federal American Recovery and Reinvestment Act of 2009.

(2) Payment shall only be made to designated participating primary care providers for eligible primary care services provided to a member.

(3) The department shall adopt rules pursuant to chapter 17A, in collaboration with the medical home advisory council created pursuant to section 135.159, specifying requirements for medical homes including certification, with which regional provider network participating providers shall comply, as appropriate.

(4) The department may also designate other private providers and hospitals to participate in the regional provider network, to provide primary and specialty care, subject to the availability of funds.

(5) Notwithstanding any provision to the contrary, the department shall develop a methodology to reimburse regional

provider network participating providers designated under this subsection.

c. Tertiary care shall be provided to eligible expansion population members residing in any county in the state at the university of Iowa hospitals and clinics.

d. Until such time as the publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand notifies the department that such hospital has reached service capacity, the hospital and the university of Iowa hospitals and clinics shall remain the only expansion population providers for the residents of such county.

2. Expansion population services provided to expansion population members by ~~providers included in the expansion population provider network~~ the publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand and the university of Iowa hospitals and clinics shall be payable at the full benefit recipient rates.

3. Providers included in the expansion population provider network shall submit clean claims within twenty days of the date of provision of an expansion population service to an expansion population member.

4. Unless otherwise prohibited by law, a provider under the expansion population provider network may deny care to an individual who refuses to apply for coverage under the expansion population.

5. Notwithstanding the provision of section 347.16, subsection 2, requiring the provision of free care and treatment to the persons described in that subsection, the publicly owned acute care teaching hospital described in subsection 1 may require any sick or injured person seeking care or treatment at that hospital to be subject to financial participation, including but not limited to copayments or premiums, and may deny nonemergent care or treatment to any person who refuses to be subject to such financial participation.

6. The department shall utilize certified public expenditures at the university of Iowa hospitals and clinics to maximize the availability of state funding to provide necessary access to both local primary and specialty physician care to expansion population members. The resulting savings to the state shall be utilized to reimburse physician services provided to expansion population members at the university of

Iowa college of medicine, to reimburse providers designated to participate in the regional provider network for services provided to expansion population members, and for deposit in the nonparticipating provider reimbursement fund created in section 249J.24A to be used in accordance with the purposes and requirements of the fund.

7. The department shall adopt rules to establish clinical transfer protocols to be used by providers included in the expansion population provider network.

Sec. 2. Section 263.18, subsection 4, Code 2009, is amended to read as follows:

4. The physicians and surgeons on the staff of the university of Iowa hospitals and clinics who care for patients provided for in this section may charge for the medical services provided under such rules, regulations, and plans approved by the state board of regents. However, a physician or surgeon who provides treatment or care for an expansion population member pursuant to chapter 249J shall ~~not charge or only receive any compensation for the treatment or care except the salary or compensation fixed by the state board of regents to be paid from the hospital fund~~ provided in accordance with section 249J.7.

Sec. 3. REVIEW OF MEDICAL TRANSPORTATION COSTS FOR IOWACARE. The department of human services shall review the costs of transportation to and from a provider included in the expansion population provider network under the IowaCare program. The department shall report the results of the review to the general assembly by December 15, 2010.

Sec. 4. DIABETES — PLAN FOR COORDINATION OF CARE. The department of public health shall work with all appropriate entities to develop a plan for coordination of care for individuals with diabetes who receive care through community health centers, rural health clinics, free clinics, and other members of the Iowa collaborative safety net provider network established pursuant to section 135.153, as determined by the department. The plan may include provisions to establish a diabetic registry, to provide access to medically necessary drugs through entities such as the Iowa prescription drug corporation, and to collect data as necessary to assist the affected medical providers in tracking and improving the care of their patients with diabetes, while also informing future public policy decision makers regarding improved care for individuals with diabetes, notwithstanding an individual's health care coverage status or choice of health care provider.

Sec. 5. IOWACARE — EXTENSION OF WAIVER. The department of human services shall amend the extension proposal for the IowaCare section 1115 demonstration waiver and shall submit applicable state plan amendments under the medical assistance program to provide expansion population services through the expansion population network pursuant to section 249J.7, as amended by this Act, within the budget neutrality cap and subject to availability of state matching funds.

Sec. 6. IOWACARE POPULATION — OPTIMIZATION OF SERVICE DELIVERY AND OUTCOMES. The publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand, the federally qualified health center located in such county, and the university of Iowa hospitals and clinics shall actively collaborate to optimize effective and efficient delivery of services that result in the best possible outcomes for IowaCare members.

DIVISION II

IOWA INSURANCE INFORMATION EXCHANGE

Sec. 7. NEW SECTION. 505.32 Iowa insurance information exchange.

1. *Purpose*. The purpose of this section is to establish an information clearinghouse where all Iowans can obtain information about health care coverage that is available in this state including availability of care delivered by safety-net providers and comparisons of benefits, premiums, and out-of-pocket costs.

2. *Definitions*. As used in this section, unless the context otherwise requires:

a. "Carrier" means an insurer providing accident and sickness insurance under chapter 509, 514, or 514A and includes a health maintenance organization established under chapter 514B if payments received by the health maintenance organization are considered premiums pursuant to section 514B.31 and are taxed under chapter 432. "Carrier" also includes a corporation which becomes a mutual insurer pursuant to section 514.23 and any other person as defined in section 4.1, subsection 20, who is or may become liable for the tax imposed by chapter 432.

b. "Commissioner" means the commissioner of insurance.

c. "Creditable coverage" means the same as defined in section 513B.2.

d. "Exchange" means the Iowa insurance information exchange.

e. "Health insurance" means accident and sickness insurance

authorized by chapter 509, 514, or 514A.

*f.* (1) "Health insurance coverage" means health insurance coverage offered to individuals.

(2) "Health insurance coverage" does not include any of the following:

- (a) Coverage for accident-only, or disability income insurance.
- (b) Coverage issued as a supplement to liability insurance.
- (c) Liability insurance, including general liability insurance and automobile liability insurance.
- (d) Workers' compensation or similar insurance.
- (e) Automobile medical-payment insurance.
- (f) Credit-only insurance.
- (g) Coverage for on-site medical clinic care.
- (h) Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance coverage or benefits.

(3) "Health insurance coverage" does not include benefits provided under a separate policy as follows:

- (a) Limited-scope dental or vision benefits.
- (b) Benefits for long-term care, nursing home care, home health care, or community-based care.
- (c) Any other similar limited benefits as provided by rule of the commissioner.

(4) "Health insurance coverage" does not include benefits offered as independent noncoordinated benefits as follows:

- (a) Coverage only for a specified disease or illness.
- (b) A hospital indemnity or other fixed indemnity insurance.

(5) "Health insurance coverage" does not include Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act, coverage supplemental to the coverage provided under 10 U.S.C. ch. 55 and similar supplemental coverage provided to coverage under group health insurance coverage.

*g.* "Legislative health care coverage commission" or "commission" means the legislative health care coverage commission created in 2009 Iowa Acts, ch. 118, section 1.

*h.* "Medicare" means the federal government health insurance program established under Tit. XVIII of the federal Social Security Act.

*i.* "Organized delivery system" means an organized delivery system as licensed by the director of public health.

3. *Iowa insurance information exchange established.* An Iowa insurance information exchange is established in the insurance division of the department of commerce under the authority of the commissioner of insurance.

a. The commissioner, in collaboration with the legislative health care coverage commission, shall develop a plan of operation for the exchange within one hundred eighty days from the effective date of this section. The plan shall create an information clearinghouse that provides resources where Iowans can obtain information about health care coverage that is available in the state.

b. The commissioner shall keep records of all financial transactions related to the establishment and operation of the exchange and shall deliver an annual fiscal report of the costs of administering the exchange to the general assembly by December 15 of each year.

4. *Powers and duties of exchange.*

a. The commissioner shall report on the status of the exchange at all regular meetings of the legislative health care coverage commission, including progress in developing and implementing the exchange operationally, resources available through the exchange, information about utilization of the resources offered by the exchange, including demographic information that illustrates how and by whom the exchange is being utilized, and the costs of implementing and operating the exchange. The commissioner may make recommendations to the commission for including but not limited to the following:

(1) Promotion of greater transparency in providing quality data on health care providers and health care coverage plans and in providing data on the cost of medical care that is easily accessible to the public.

(2) Statutory options that improve seamlessness in the health care system in this state.

(3) Funding opportunities to increase health care coverage in the state, particularly for individuals who have been denied access to health insurance coverage.

b. The commissioner shall implement and maintain information on the insurance division internet site that is easily accessible and available to consumers and purchasers of health insurance coverage regarding each carrier licensed to do business in this state. The information provided shall be understandable to consumers and purchasers of health insurance coverage and shall include but is not limited to information

regarding plan design, premium rate filings and approvals, health care cost information, and any other information specific to this state that the commissioner determines may be beneficial to consumers and purchasers of health insurance coverage. The commissioner may contract with outside vendors and entities to assist in providing this information on the internet site.

*c.* The exchange shall provide information about all public and private health care coverage that is available in this state including the cost to the public, and comparisons of benefits, premiums, and out-of-pocket costs.

(1) The commissioner may establish methodologies to provide uniform and consistent side-by-side comparisons of the health care coverage options that are offered by carriers, organized delivery systems, and public programs in this state including but not limited to benefits covered and not covered, the amount of coverage for each service, including copays and deductibles, administrative costs, and any prior authorization requirements for coverage.

(2) The commissioner may require each carrier, organized delivery system, and public program in this state to describe each health care coverage option offered by that carrier, organized delivery system, or public program in a manner so that the various options can be compared as provided in subparagraph (1).

*d.* The commissioner shall provide ongoing information to taxpayers about the costs of public health care programs to the state, including the administrative costs of the programs and the percentage and source of state and federal funding for the programs, utilizing information provided by the department of human services and the department of public health.

*e.* The exchange may provide information to assist Iowans with making an informed choice when selecting health care coverage.

*f.* The commissioner may utilize independent consultants, as deemed necessary, to assist in carrying out the powers and duties of the exchange.

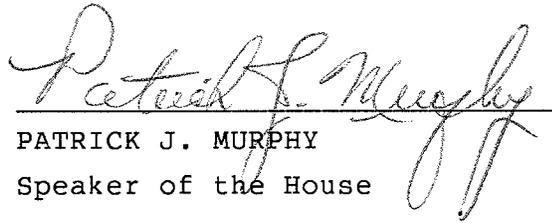
*g.* The commissioner may periodically advertise the general availability of health care coverage information available from the exchange.

5. *Rules.* The commissioner shall adopt rules pursuant to chapter 17A to implement the provisions of this section.



JOHN P. KIBBIE

President of the Senate



PATRICK J. MURPHY

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2356, Eighty-third General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

Approved April 14<sup>th</sup>, 2010



CHESTER J. CULVER

Governor